



Los Angeles County AUDIT COMMITTEE

Louisa Ollague, Chair
1st District
Lori Glasgow, Vice-Chair
5th District
Clinton Tatum
2nd District
Genie Chough
3rd District
Carl Gallucci
4th District

MEETING MINUTES

July 20, 2006

Carl Gallucci called the meeting to order at 1:40 p.m. in Conference Room 525 at the Kenneth Hahn Hall of Administration.

Committee Members Present

Louisa Ollague, First District
Genie Chough, Third District
Carl Gallucci, Fourth District

Committee Members Absent

Clinton Tatum, Second District
Lori Glasgow, Fifth District

Others in Attendance

Maria Oms, Auditor-Controller
Jim Schneiderman, Auditor-Controller
Don Chadwick, Auditor-Controller
Teri Kasman, Auditor-Controller
Carla Carr, Auditor-Controller
Mike McWatters, Auditor-Controller
Michael Iwanaga, Chief Administrative Office
Sid Kikkawa, Chief Administrative Office
Sheila Shima, Chief Administrative Office
Eleanor Montano, Sybil Brand Commission

Nick Ippolito, Board of Supervisors
Garen Khachian, Board of Supervisors
Peter Papadakis, Board of Supervisors
Ressie Román, Board of Supervisors

Approval of Minutes

On motion of Genie Chough, seconded by Carl Gallucci, the Committee unanimously approved the May 18, 2006 minutes.

Old Business

Community Development Commission – Fiscal Review: This item was continued to the September 21, 2006 meeting.

Destruction of Confidential Records – Status: This item was continued to the August 17, 2006 meeting.

Report on Interim Financial Management Services Provided to the Los Angeles Homeless Services Authority: Ms. Oms reported Mike Arnold's contract has been extended to continue to assist LAHSA and IURD due to material findings discovered by HUD. A report will be issued soon and the estimated liability has been significantly reduced. Further, the audit of LAHSA is being finalized before the end of July 2006. **This item was continued to the August 17, 2006 meeting.**

Reports to be Received and Filed

Quarterly Fraud Hotline Status Report: On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.

Watts Labor Community Action Committee Contract – Workforce Investment Act Programs: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Aviva Family and Children’s Services Contract Review – Wraparound Approach Services Program: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Olive Crest Treatment Centers, Inc. Contract Review – Wraparound Approach Services Program: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Sunset Review of Board Policy No. 3.070 – County-Sponsored Events To Be Disabled Accessible: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved extending the Board policy to June 23, 2010.**

Contract Cost of Living Adjustment Review: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Homes of Hope Foster Family Agency Contract Review: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Jewish Vocational Services Contract Review – Refugee Employment Program: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Sunset Review of Board Policy No. 4.080 – Deferred Maintenance Program Policy/Sunset Review: **The Committee unanimously approved continuing this item to the August 17, 2006 meeting.**

Group Home Program Monitoring Report – Journey House Group Home: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Status Report – Board-Requested Reviews of DHS Contract Physician Oversight, Physician Timekeeping Protocols and Investigation of outside Employment (Board Agenda Item 61-A, July 19, 2005 and Item 85-A, August 30, 2005): **The Committee unanimously approved continuing this item to the August 17, 2006 meeting.**

Antelope Valley Workforce Development Consortium Contract – Workforce Investment Act Programs: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Agenda Item 40, June 20, 2006 – Review of Prop. A Cost Analysis For Harbor/UCLA and Olive View Medical Centers Affiliation Agreement with UCLA: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Bourne, Incorporated, Group Home Services, Bourne Group Home: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Dangerfield Group Home, Sites 1, 2 and 3: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Dimondale Adolescent Care Facility, Sites 1, 2, 3 and 4: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Garces Residential Care Services, Bright Horizons Group Home: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Moore's Cottage Group Home-Altadena: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Sand Hill Group Home, Incorporated, Sand Hill Group Home: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Sonya Love Guidance Center Group Home: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – The Salvation Army, Incorporated, The Way in Group Home: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Imperial Homes, Incorporated – 112TH Street Group Home and Crenshaw Boulevard Group Home: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Kids First Foundation Group Home, Mid Valley Youth Center: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Trinity Children and Family Services, Trinity EL Monte Group Home: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Fiscal Review of Sydia Group Homes, Incorporated (Aka New Horizon Group Homes) – A Group Home Foster Care Contractor: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Didi Hirsch Psychiatric Service Contract Compliance Review: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

San Fernando Valley Community Mental Health Center Contract Compliance Review: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Arbor Education and Training, LLC Contract – Workforce Investment Act Programs: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Sunset Review of Board Policy No. 6.030 – County Website Advertising and Hotlink Policy: **The Committee unanimously approved extending the Board policy to July 18, 2011.**

Door of Hope Community Center, Inc. Contract – Workforce Investment Act Programs: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Ettie Lee Youth & Family Services Foster Family Agency Contract Review: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Enki Health & Research Systems Contract Compliance Review: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Masada Homes Family Services Foster Family Agency Contract Review: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Corrective Action Plan Follow-Up Report Hillside, Inc., Main Campus and On Campus Satellite Group Homes: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Group Home Corrective Action Plan Follow-Up Report West Covina Foster Family Agency, Casa Esperanza Treatment Center Group Home: **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Sunset Review of Board Policy No. 4.070 – Full Utilization of Grant Funds:
Sid Kikkawa, CAO, reported the Board policy contains the following addendum: “shall establish a review of grant expenditures at the midpoint of the allocation **project or grant** period...” Ressie Román asked if material weaknesses existed in the policy. Sheila Shima reported questioned expenditures were purchased under Bio-terrorism grant funds prompting the Board of Supervisors to instruct the Auditor-Controller to review grant funding procedures. A manual has been developed to provide County Departments the appropriate reporting of expenditures to granting agencies. The CAO along with the A/C

recommended Department's monitor their grant spending and ensure the funds are being utilized properly. Carl Gallucci asked if each County Department's spending of grant funds for FY 2005-06 could be reviewed. Mr. Kikkawa reported there is currently no automated tracking mechanism to extract that information. Carl Gallucci suggested amending the policy to include that County Departments need to report to the CAO if grants funds are returned. Mr. Kikkawa advised the change would be reflected in the policy. **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved to extend Board Policy No. 4070 to July 20, 2011 and requested the Auditor-Controller to research each County Departments' utilization of grant funds for fiscal year 2005-2006.**

Reports to be Received

Sheriff's Fiscal Year 2006-07 Contract City Billing Rates Review: Ms. Oms reported that seven chargeable internal support units identified in the March 2005 Auditor-Controller report are appropriately phased into the FY 2006-2007 contract city billing rates as approved by the Board of Supervisors. By phasing in the costs of the seven previously unbilled internal support units, the billing rates increased 1.4% resulting in approximately \$2.7 million in additional costs being allocated to contract cities. **On motion of Carl Gallucci, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Fiscal Monitoring of Department of Community and Senior Services' Fiscal Year 2004-05 Area Agency on Aging Program Services: Teri Kasman reported the fiscal monitoring revealed \$88,486 in questioned payments to providers with cost reimbursement contracts. Consequently, if service providers are unable to resolve the questioned costs, they will have to return these amounts to CSS. Further, \$614,771 was identified in costs related to fee-for-service contracts. These funds must either be used to provide AAA services or be returned to CSS if fee-for-service providers have excess earnings. CSS indicated they will work with the service providers to resolve all the monitors' findings by September 30, 2006. **The Committee unanimously approved continuing this item to the November 16, 2006 meeting.**

Los Angeles County Fair Association Audit Report For The Year Ended December 31, 2004: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Sunset Review for the Los Angeles County Real Estate Management Commission: **After a brief discussion, the Committee unanimously approved continuing this item to the August 17, 2006 meeting.**

Fiscal Monitoring of Department of Community and Senior Services' Fiscal Year 2004-05 Domestic Violence Program Service Providers: **The Committee unanimously approved to continue this item to the November 16, 2006 meeting.**

Public Comments

There were none.

Other Business

FFAs and Group Home Monitoring: Ms. Oms reported duplicated monitoring efforts are not occurring and will provide a matrix outlining a sample of the different tools used by the Auditor-Controller and DCFS in monitoring FFAs and Group homes. **The Committee unanimously approved to continue this item to the August 17, 2006 meeting and requested DCFS representatives attend the August 17, 2006 Audit meeting.**

Travel Contracts Renewal: Ms. Oms reported the Auditor-Controller received eight contract bids of which four will be reviewed for further consideration. The Auditor-Controller will report to the Board of Supervisors for approval of the selected contractor on or near the end of August 2006.

Social Service Contracts – Governance Policy: **The Committee unanimously approved to continue this item to the August 17, 2006 meeting.**

Monitoring Out-of-Home Placement Providers: **The Committee unanimously approved continuing this item and requested DCFS representatives attend the August 17, 2006 Audit meeting.**

Proposed Fiscal Year 2006-07 Audit Plan: Jim Schneiderman summarized the audit plan and explained some proposed audits may/may not be performed due to unexpected changes and priorities that may occur during the year. Ressie Román asked if an audit has ever been performed on the Los Angeles City-County Native American Indian Commission under CSS. In response to Ressie Román, Ms. Oms stated the Auditor-Controller will research and report back as to whether the Los Angeles City-County Native American Indian Commission has ever been audited. Ms. Román explained the Commission is a multi-jurisdictional agency that has a joint powers agreement between the City/County to provide services to the Native American community. Further, discussion has been raised as to whether certain monies should go towards CSS administrative costs or to the Commission directly. **The Committee unanimously approved continuing this item to the August 17, 2006 meeting and requested the Auditor-Controller to report back with information regarding the Los Angeles City-County Native American Indian Commission.**

Matters not on the Posted Agenda (to be Presented and Placed on the Agenda of a Future Meeting)

There were none.

Adjournment

There being no further business to conduct, the meeting was adjourned at 2:45 p.m.